

**BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2006-92-W/S**

IN RE:

Application of Carolina Water Service,  
Inc. for adjustment of rates and charges  
for the provision of water and  
sewer service.

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**DIRECT TESTIMONY  
OF  
BRUCE T. HAAS**

**Q. WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?**

**A.** My name is Bruce T. Haas, and my business address is 110 Queen Parkway, West  
Columbia, South Carolina 29169.

**Q. WHERE ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

**A.** I am Regional Director of Operations for Carolina Water Service, Inc. for South  
Carolina and for six other operating subsidiaries of Utilities, Inc., four of which are in South  
Carolina and two of which are in Georgia.

**Q. HOW LONG HAVE YOU BEEN EMPLOYED IN THE WATER AND SEWER  
UTILITY INDUSTRY?**

**A.** Approximately 28 years.

**Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?**

**A.** I first began my employment as a meter reader and maintenance worker in 1978  
by Lake Holiday Utilities, Corp., which is also a subsidiary of the Company's parent,  
Utilities, Inc. During the next several years, I was promoted to Operator and Operating  
Manager positions for a number of Utilities, Inc. subsidiary systems, while earning

1 various water and wastewater licenses in Illinois and Ohio, including the highest levels of  
2 water treatment and wastewater treatment licenses from the Illinois EPA. I eventually  
3 became the Area Manager for the Peoria, Illinois region, overseeing the water and  
4 wastewater facilities in this area. In 1989, I transferred to Charlotte, North Carolina  
5 where I accepted the position of Area Manager for several areas for Carolina Water  
6 Service of North Carolina, Inc., a sister subsidiary of the Company, a job I also  
7 performed for the Company which involved operations of the River Hills System in York  
8 County, South Carolina. I was eventually promoted to Regional Manager while in  
9 Charlotte. During this time I also obtained various water and wastewater licenses in  
10 Water Treatment, Water Distribution, Wastewater Collection, and Backflow/Cross-  
11 Connection certifications from the State of North Carolina and took night courses  
12 towards a degree in Civil Engineering Technology. I also hold the highest levels of water  
13 and wastewater certifications for Water Treatment, Water Distribution, Wastewater  
14 Treatment and Wastewater Collection from the State of South Carolina. In 2002, I was  
15 promoted to my current position and given responsibility for the Company's systems in  
16 South Carolina, along with two subsidiary companies located in Georgia. However, the  
17 majority of my time is spent working on issues pertaining to the Company's South  
18 Carolina systems.

19  
20 **Q. WHAT ARE YOUR DUTIES WITH CAROLINA WATER SERVICE?**

21 **A.** I am responsible for making sure our customers receive the best possible service.  
22 As such, I am responsible for all operating personnel, facilities, maintenance and capital  
23 projects. In addition, I am responsible for communications with state and federal  
24 regulators, including state utility commissions and environmental authorities as well as  
25 other operational issues.

26  
27 **Q. WOULD YOU DESCRIBE YOUR EXPERIENCE IN WORKING WITH OR**  
28 **TESTIFYING BEFORE STATE UTILITY COMMISSIONS REGARDING RATE**  
29 **CASES?**

1 A. Yes. I have testified before the commissions in North Carolina and South  
2 Carolina, along with working with staff of the Illinois Commerce Commission during my  
3 tenure with the Company.  
4

5 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING,**  
6 **MR. HAAS?**

7 A. The purpose of my testimony is to provide the Commission with a brief overview  
8 of our South Carolina operations and our continued efforts to provide our customers with  
9 the best possible water and sewer utility service and to support the portion of the  
10 Company's application for modification of certain of the terms and conditions pertaining  
11 to water service.  
12

13 **Q. MR. HAAS, WOULD YOU BRIEFLY DESCRIBE THE COMPANY'S WATER**  
14 **AND SEWER OPERATIONS HERE IN SOUTH CAROLINA?**

15 A. Yes. Carolina Water Service, Inc. currently serves approximately 6,100 water  
16 connections and 10,000 wastewater connections located in eleven counties across the  
17 state. In terms of single family equivalents, our customer base is more than 20,500. We  
18 deliver safe and reliable water service to our customer's homes by way of deep drilled  
19 wells or through the purchase and resale of bulk water. We also provide full sewer  
20 service through our wastewater collection, transportation and treatment facilities as well  
21 as collection-only service utilizing wholesale wastewater treatment providers.  
22

23 **Q. WITHIN THE COMPANY, WHO IS RESPONSIBLE FOR ENSURING THAT**  
24 **CUSTOMERS ARE RECEIVING THE BEST POSSIBLE SERVICE?**

25 A. I have the overall responsibility for ensuring that our customers receive the best  
26 possible service. In order to discharge this responsibility, I make every effort to see that  
27 the company hires and maintains a highly qualified and professional staff of individuals.  
28 Together, we continue to make customer satisfaction the primary responsibility of each  
29 and every Carolina Water Service employee.

1 **Q. WHAT ONGOING PROGRAMS DOES THE COMPANY HAVE IN PLACE TO**  
2 **HELP ENSURE THAT CUSTOMERS RECEIVE QUALITY UTILITY**  
3 **SERVICE?**

4 **A.** First and foremost, we make certain that our operations personnel are duly  
5 certified by environmental regulatory authorities. We provide training resources in order  
6 to increase their knowledge and education in the water and wastewater fields. Many of  
7 our licensed operators hold the highest levels of water and wastewater certifications from  
8 the State of South Carolina and we also employ two (2) registered Professional  
9 Engineers. We also hold periodic staff meetings to specifically address service concerns,  
10 as well as to increase employee sensitivity to customer satisfaction. Topics covered  
11 include service problems we have encountered, steps taken to solve these problems, new  
12 regulations and cost control measures. These regular meetings also serve as an  
13 opportunity to reinforce our customer service philosophy, as well as to keep each of us  
14 focused on what is important – our customers. Continuing education programs are  
15 provided for all employees, including classes routinely conducted by Company staff as  
16 well as outside consultants. Our most valuable resource is our personnel. By keeping up  
17 to date with new methods and changing regulations, we enable them to provide better  
18 service and hold down costs.

19 To ensure that our customers are provided the best possible service we also  
20 employ a capital improvements program, as well as ongoing operational programs such  
21 as routine testing and periodic water main flushing to improve water quality, the use of  
22 sequestering agents to reduce the effects of minerals which may occur naturally in ground  
23 water, the cleaning of between 10%-20% of sewer collection mains each year to  
24 minimize the potential for back-ups, and a 24-hour-a-day, seven-day-a-week on-call  
25 emergency service. These programs also ensure that company-wide facilities are  
26 properly maintained and safety standards met.

27 Communication with our customers and community leaders regarding issues  
28 which may have an impact on the quality or cost of service is also an important aspect of  
29 our business. As increased environmental regulation continues to place upward pressure

1 on the cost of providing service, it becomes more important for us to inform customers of  
2 the measures we must take to ensure that their drinking water is safe and that their  
3 waterways are protected. Included in these customer communication efforts are  
4 attendance at Property Owners Association (POA) meetings when we are notified,  
5 customer letters, bill inserts and back-of-the-bill messages, the submission of information  
6 to local media outlets, annual Consumer Confidence Reports detailing the Safe Drinking  
7 Water Act compliance, and new customer welcome packets introducing our company and  
8 providing contact information for problems or concerns.

9 In addition, the Company has implemented an automatic message delivery system  
10 whereby we are able to provide specific information to customers in a particular  
11 geographic area or subdivision, advising them of upgrades or repairs being done to their  
12 system. We are also able to notify customers in advance of scheduled repairs, along with  
13 boil water advisories following water line repairs, periodic flushing of the water system,  
14 or other updates regarding repairs being made. Since implementing this program in  
15 March of this year, we have placed over 1,400 such calls to our customers.

16  
17 **Q. HAS INCREASED FEDERAL REGULATION OF THE WATER AND**  
18 **WASTEWATER UTILITIES CONTINUED TO HAVE AN IMPACT ON THE**  
19 **COMPANY?**

20 **A.** Absolutely, yes. The Safe Drinking Water Act, or SDWA and the Clean Water  
21 Act, or CWA have changed the way in which water and sewer utilities conduct their  
22 business. DHEC implements statutes and regulations adopted by the State of South  
23 Carolina under these federal enactments. Additional costs have been placed upon water  
24 and wastewater utilities to comply with more exacting limits in both areas. While we  
25 have already complied with many of the requirements contained in the reauthorization of  
26 the SDWA, new requirements continue to be promulgated. Likewise, the requirements of  
27 the CWA continue to evolve.

28  
29 **Q. WHAT IMPACT DOES THIS HAVE ON THE COMPANY'S CUSTOMERS?**

1    **A.**           For one thing, the cost of providing service obviously increases; but, in turn our  
2           customers receive the benefit of greater protection of their waterways and safer drinking  
3           water that is free of harmful contaminants. Our customers also benefit from our  
4           commitment to provide them with safe and reliable utility service which is reinforced by  
5           compliance. Understandably, customers may be unaware of our efforts to meet  
6           regulatory requirements since they do not necessarily see a perceptible change in the  
7           quality of service and therefore, may also be largely unaware of the hidden benefits of  
8           compliance. Without the benefits of compliance, residential development simply cannot  
9           be sustained – much less begun. And, of course, these benefits accrue to the overall well-  
10          being and value of the communities we serve.

11  
12   **Q.       DOES THIS CONCLUDE YOUR TESTIMONY?**

13   **A.**       Yes.